

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Fees and Classifications) Docket No. MC96-3

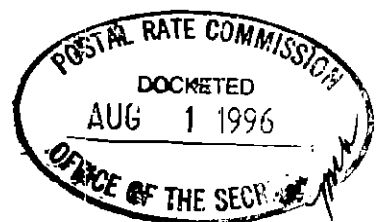
OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS SUSAN W. NEEDHAM
(OCA/USPS-T8-41-43)
(August 1, 1996)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA Interrogatories 1-4 to the United States Postal Service dated June 19, 1996, are hereby incorporated by reference.

Respectfully submitted,

Gail Willette
GAIL WILLETTE
Director
Office of the Consumer Advocate

David Ruderman
DAVID RUDERMAN
Attorney



OCA/USPS-T8-41. Library Reference SSR-104 develops the unit attributable costs for return receipts service. At page 10, it calculates a weighted average cost for non-merchandise:

Total attributable cost:		<u>Weight</u>
To whom and date delivered	\$0.86	97.31%
To whom, where and date delivered	<u>1.10</u>	<u>2.69%</u>
Weighted average unit cost	\$0.87	100.00%

Witness Lyons utilizes these costs in WP D, page 3, to determine Before and After Rates Costs and Cost Coverages. These costs also are shown in his Exhibit C, USPS-T-1.

- a. Does this mean that providing customers with the "address if different" option will increase the average unit cost by only one cent?
- b. If not, please provide an explanation, the appropriate unit cost, and calculations supporting this unit cost.
- c. If so, please confirm that you propose to charge customers a \$0.40 higher fee to offset a one cent cost increase.

OCA/USPS-T8-42. Please refer to your answer to OCA/USPS-T8-8.

- a. Please provide the calculations, with appropriate citations, to support the cost coverages from which you have "backed out the ancillary service revenues." Please include

restricted delivery as a separate item, as well as return receipt.

- b. Please provide the similar cost coverages and calculations backing ancillary services from the cost coverages, costs and revenues shown in the Commission's Decisions in Docket Nos. R90-1 and R94-1. If data are missing or not available to perform these calculations, please specify what data are missing.

OCA/USPS-T8-43. Please refer to your answer to OCA/USPS-T8-8, particularly Table 1 (Revised).

- a. Please confirm that the Postal Service's proposed fees for certified mail in the last two rate cases did not cover attributable costs.
- b. If you cannot confirm, please explain the correct interpretation of this table.
- c. If you do confirm, please explain why the Postal Service proposed fees that were substantially below attributable costs.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.



DAVID RUDERMAN
Attorney

Washington, DC 20268-0001
August 1, 1996